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Report Highlights:
Ghana operates a relatively free trade market economy. Tariff remains Ghana's main trade policy instrument. Import tariff exemption is applied on some agricultural items such as raw materials and ingredients for animal feed and veterinary drugs. Ghana continues to maintain strict product standards, such as shelf life and labeling requirements.

Includes PSD Changes: No
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SECTION I: Executive Summary

Ghana operates in a relatively free market environment. Trade and investment liberalization has been integral to Ghana's economic freeform program. These trade policies of the Government of Ghana (GOG) are focused on making Ghana the Gateway to West Africa. Tariff and Non-Tariff barriers in Ghana continue to pose challenges to the importation of a number of agricultural products. The GOG tariff rates are ad valorem intended to reduce taxes on many products. The reliance on ad valorem tariffs, as the main trade instrument contributes to a more transparent trading regime. However import duties on some products such as beers, wines, malt drinks and other alcoholic beverages continue to be high. Around 15% of its tariff lines are bound in agriculture. Extending the coverage of tariff bindings beyond agriculture would benefit Ghana and its trading partners by increasing the predictability of the tariff.

Additionally, Ghana continues to maintain strict product standard requirements such as shelf life and labeling. Custom procedures are also long and cumbersome. These requirements often negatively impact trade.

SECTION 11: AGREEMENT COMPLIANCE

A. World Trade Organization

Market Access

The Government of Ghana (GOG) has progressively implemented a number of import policies to promote greater trade liberalization over the past 10 years. Ghana became a member of WTO in 1995. As a founding member, GOG has pledged to be in full compliance with its WTO commitments to improve market access. Ghana, generally applies its trade policies and measures on a non-discriminatory bases to all trading partners. However, the GOG is also committed to the development of domestic industries that can compete internationally. Though the GOG has made positive strides there are significant problems that still remain and add to the cost of doing business in Ghana. Efforts by the GOG must continue to reform its cumbersome bureaucracy and eliminate unreasonable import standards.

Trade

Tariff Barriers

Tariff remains Ghana's main trade policy instrument. Ghana, in principal, applies an eight-digit tariff nomenclature according to the Harmonized Commodity Description and Coding System as of 1 January 1990. In practice, the classification coincides very closely to the 6-digit HS code description with sub-divisions at the eight-digit classification level limited to only a few agricultural commodities.

The Ghana tariff system has four ad valorem import duty rates (0, 5, 10 and 20%), which became effective in January 2000. The standard rate of duty is 20% (for example rice and poultry). The 10% rate is levied on raw materials. The 5% rate applies to materials for the manufacture of or prospecting for timber and other natural products. A general exemption from payment of import duty (zero) can be granted on items such as veterinary drugs for poultry and other livestock and ingredients for manufacture of livestock and poultry feed certified as such by the Ministry of Food and Agriculture. The import duty relief was part of GOG's policy to increase the contribution of the livestock sector to the economy. Exemptions are granted according to circumstances. But the widespread use of discretionary exemptions, often administered under poorly specified authority, is non-transparent. The

GOG is rationalizing such exemptions to ensure that the relief being granted is benefiting the country.

In 2003 a 20% additional tariff was imposed on poultry and poultry products but was not implemented due to resistance from the WTO. The local poultry farmers have continuously put GOG under pressure to have a protectionist policy for their industry.

A Value Added Tax (VAT) of 12.5% on the duty-inclusive value of all imports was promulgated in March 1998 and became effective in December 1998. National Health Insurance Levy of 2.5 percent effective August 1, 2004 was also levied on all imports to be collected by the VAT Secretariat. Raw foodstuffs are exempted from VAT. A processing fee of 1% of the c.i.f. value is imposed on goods that are statutorily exempt from the payment of import duty.

In addition to tariffs, the GOG levies fees on the value of imported shipments in exchange for inspection, listing and classification. An inspection fee of one percent is levied on all imports. An ECOWAS levy of 0.5 percent is charged on all goods originating from non-ECOWAS countries and 0.5 percent Export Development and Investment Fund (EDIF) levy on all imports were introduced in 2000 and 2001 respectively. Ghana Customs Network (GCNET) of 0.4% charge for computerization, processing and documentation.

In 2003, a 20precent additional tariff was imposed on poultry and poultry products (making it 40%) but was not implemented due to resistance from the business community. Since then, the local poultry producers have consistently and continuously pressured the GOG to implement the additional tax in order to protect their industry. In May 2005, the local poultry farmers took the GOG to court for failing to implement the additional tax imposed on poultry imports. The court advised that the GOG should support the poultry producers to enable them to compete with imported poultry. A poultry producer's council is being set up and it is to be managed by the poultry producers themselves.

Non-Tariff Barriers

Ghana applies few formal non-tariff barriers. Certain import prohibitions and controls apply for environmental, health, public safety and security reasons and under international conventions. Ghana applies no trade embargos. Ghana has eliminated the issuance of import license before importation of all goods in order to improve access to its market. For some agricultural food products (poultry), importers are required to obtain permits from the Ministry of Food and Agriculture (MOFA) before importation. However, the introduction of import permit by the GOG of some agricultural products is restrictive because the quantity and frequency of imports are controlled. According to the industry, the GOG cuts down quantity of import and also cause undue delays in the issuance of the permits. Another major threat to US exporters of poultry meat is that the GOG is under pressure from domestic poultry farmers to reduce imports to protect the local industry.

In April 2000, Ghana replaced the mandatory pre-shipment inspection with destination inspection, performed by two private contractors. Documentation requirements were also simplified and more targeted inspections introduced to facilitate imports. Price verification and risk-assessment procedures are aimed at preventing duty evasion and under invoicing. On average it takes approximately seven days for shipments to clear customs.

Sanitary and Phytosanitary Measures

Ghana is an important US agricultural export market and is a major purchaser of US rice, poultry and wheat and high-value food products. Ghana could expand its agricultural trade through the elimination of tariff and non-tariff barriers. Shelf life standards required by GOG are strict and do not recognize quality, safety, packaging and technological differences between producers. Many food items entering Ghana should have 50 percent or more of their shelf life remaining. Such standards can have effect of blocking US exports to Ghana especially poultry and high-value food products.

The testing of food products is not clear, uniform or transparent. Routine inspection and analysis of imported foods at the port of entry and at the retail level are undertaken to ensure that products are safe. Expired agricultural products are removed from the market and destroyed by the Food and Drugs Board (FDB), the GOG regulatory body.

Product Specification

The GOG adheres to its food labeling requirements and does not impose any specific restrictions on any packaging materials. However packaged foodstuff should be stored and conveyed in such a manner as to preserve its composition, quality, and purity and to minimize the dissipation of its nutritive properties from climatic and other deteriorating conditions. The GOG in 2000 issued a circular that prohibits importation and locally produced vegetable oils labeled as ‘non-cholesterol’ or ‘cholesterol free’. The circular also stated that vegetable oils should bear the plant source of the oil and labeled as such, for example corn oil, soy oil, and sunflower oil. The claim by the Food and Drugs Board (FDB) is that all plant sources of edible oil are cholesterol free. An importer of US vegetable oil was asked by the FDB to delete the ‘No Cholesterol’ label on all the vegetable oils before he would be allowed to sell the produce in his supermarket. This labeling issue is not very clear and could affect US edible exports to Ghana.

Labeling Requirements

The Government of Ghana (GOG) continues to enforce a product-labeling law. All products must clearly identify in English the type of product being imported, the ingredients or components, the country of origin, and establish a date of expiration/Best before Use for perishables. Labels can be printed on the package or be of a permanent adhesive type. Products cannot show more than one date of manufacture or expiration date on the package. Non- complying goods are subject to government seizure.

Shelf Life

In Ghana all products should carry expiry dates and/or shelf life. The active ingredients should be specified on the packaging material where applicable. The GOG requirement is that the expiry date should be at least half the shelf life as at the time of inspection. Expired imported goods are seized at the port of entry and destroyed. The shelf life of a product is calculated from the date of production until the date of completion of all customs procedures and import certification at the Ghana port of entry.

Product Standards

Ghana has issued its own standards for most products under the auspices of the Ghana Standards Board (GSB), which subscribes to accepted international practices for testing of imports for purity and efficacy. The GSB has promulgated approximately 160 Ghanaian standards and adopted over 300 foreign standards for certification purposes. The Food and Drugs Board (FDB) regulates, enforces and certifies food, drugs, cosmetics, and other products that have health implications for the consuming public.

Certification

Sanitary or health certificates are required for plants and seeds, live animals, poultry (including eggs and day old chicks), meat, liquor. Under the Disease of Animals Act 1961 (Act 83), imported animals, carcasses and parts thereof must be free of disease. As such meat and meat products must be accompanied by a certificate issued by the veterinary department of the country of origin stating that: (I) the animals from which the product is derived were free from infectious and contagious diseases, (ii) the product has been inspected by the veterinary authority and has been passed as wholesome and fit for human consumption, (iii) the animals were slaughtered in an approved slaughter house, and that (iv) the product is free from radioactive contaminants.

OTHER TRADE AGREEMENTS

1. Trade Agreements with the United States

Free Trade Agreements

Presently, Ghana has no free trade agreements with the US. The GOG has expressed its strong desire to enter into negotiations to establish an FTA with the US and a number of policy discussions have been held between the two countries.

Trade and Investment Framework Agreement (TIFA)

In February 1999 Ghana and the US signed a Trade and Investment Framework Agreement (TIFA)- one of the first of such agreements with a country in sub-Saharan Africa. The TIFA is to establish a mechanism that would facilitate concrete measures required to continue moving the two countries to liberalized trade and investment. The agreement provides a mutual bilateral economic relationship between the two countries and seeks to encourage and facilitate private sector contracts between them. The agreement consists of ten articles. The TIFA established US-Ghana Council on Trade and Investment composed of representatives of both countries. The Council meets regularly to discuss specific trade and investment matters, providing a valuable mechanism for promptly addressing these and other issues that may arise between the US and Ghana.

2. Trade Agreements with ECOWAS countries

Ghana is a member and co-founder of the Economic Community of West African States (ECOWAS), established in 1975. ECOWAS is made up of 15 member countries namely Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, and Togo. Mauritania opted out in 2000. The aim of ECOWAS is to establish a customs union and a single currency among members.

Under a program of trade liberalization launched in 1979, tariff and non-tariff barriers to intra-ECOWAS trade in some selected goods were lifted provided that they appear on the list of products established by the Community. However, member countries are not respecting the timetable for implementation of these provisions. In an attempt to revitalize the agreement, the ECOWAS Trade Liberalization Scheme was established in 1990, with the goal of phasing out tariffs on specified goods within five years. Pursuant to this agreement, Ghana has provided tariff reductions of 20 percent on few goods from member countries. ECOWAS foresees the establishment of a free-trade area and, ultimately, a Customs Union, but it has made little progress to date. Ghana is committed to regional integration, and wishes to accelerate such initiatives.

3. Ghana-European Partnership Agreement

The EU is Ghana's biggest trading partner currently taking up 43 percent of Ghana's exports and providing 40 percent of total imports in the last five years. Total EU exports to Ghana in 2005 exceeded 2 billion Euros of which 20 percent were in agricultural products. Ghana's exports to the EU yielded about 140 million Euros of which 40 percent were in agricultural products.

In June 2000, Ghana was one of 77 African, Caribbean and Pacific (ACP) countries to sign the Cotonou Partnership Agreement (the successor to the Lomé Convention), with 15 member states of the European Union (EU). This agreement offers a non-reciprocal preferential trade agreement. As a signatory to the ACP-EU Partnership Agreement, Ghana receives non-reciprocal tariff and other preferences from the EU on many goods, as well as substantial financial assistance.

Since September 2002 the EU and the ACP including Ghana have been negotiating for Economic Partnership Agreements (EPA). The EPA is aimed at establishing new WTO compatible trading arrangements progressively removing barriers between EU and ACP countries. These negotiations are expected to result in new Free Trade Agreements (FTA) by 2008.

4. Ghana Bilateral Trade arrangements

Ghana has bilateral arrangements with several trading partners, such as Malaysia, the Czech Republic, and Côte d'Ivoire, and is negotiating more, including with Romania, Greece, Burkina Faso, Zimbabwe, and Libya.

Section III. Trade Barrier Catalog

There is no trade barrier catalog available.

Section IV. Reference Material

Import Tariff Rates (Table A)

Commodity	**Import Tariff**
Poultry	20%
Rice	20%
Wheat	20%
Sea food	5%
Beef	20%
Cow leg	20%
Fresh fruits (Apples, grapes)	20%
HVP (Breakfast cereals, drinks, juices, edible oils, Canned seafood and meat, canned fruits & vegetables, pastry cakes, biscuits, pasta, tomato puree, ketch up etc	20%
Veterinary Drugs, animal feed ingredients	0
Wines, Beer, malt	40%

SECTION IV: REFERENCE MATERIAL

For further information regarding specific Trade policy issues, contact FAS/Accra.

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